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January 27, 2003

Via Electronic Filing

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: ***Notice of Ex Parte Presentation***
CC Docket No. 01-92 – Inter-Carrier Compensation

Dear Ms. Dortch:

This is to advise you that on January 23, 2003 Verizon Wireless representatives Charon Harris, Elaine Critides, and L. Charles Keller of Wilkinson Barker Knauer LLP met with Tamara Preiss, Steven Morris, and Victoria Schlesinger of the Wireline Competition Bureau's Pricing Policy Division, and Jared Carlson, Peter Trachtenberg, Joseph Levin, and Stacy Jordan of the Wireless Telecommunications Bureau's Policy Division to discuss CMRS inter-carrier compensation issues.

In the meeting, Verizon Wireless urged the Commission to remove substantial uncertainty with respect to inter-carrier compensation by clarifying three issues in the course of ruling on two currently pending petitions. Verizon Wireless proposed the approach detailed in this letter, which is entirely consistent with the Commission's prior statements and would not bind the Commission to any particular long-term outcome in this docket.

MTA Rule. Verizon Wireless urged the Commission to clarify its prior ruling that traffic to or from LECs and CMRS carriers that originates and terminates in the same Major Trading Area (MTA) is local and subject to the reciprocal compensation rules unless it is carried by an interexchange carrier (IXC), in which case it is subject to interstate and intrastate access charges.[1] In addition to being consistent with the FCC's prior statements, this approach

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[1] *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996,* First Report and Order, 11 FCC Rcd 15499, 16016, ¶ 1043 (1996) *("First Local Competition Order").* The Commission should issue this clarification in the context of the pending petition regarding CMRS termination tariffs, which is discussed in greater depth below.

recognizes that Congress preserved the access charge regime when it codified reciprocal compensation requirements.[2] IXC-carried traffic should not be subject to reciprocal compensation even if it originates and terminates in the same MTA. All other traffic, however, between a CMRS carrier and a LEC that originates and terminates in the same MTA is "local" traffic and subject to the Commission's reciprocal compensation rules.

Verizon Wireless acknowledges that because of some incumbent local exchange carriers' ("ILECs'") equal access obligations, this approach may result in some traffic originated on ILECs' networks being subject to access charges because it is carried by IXCs, while other traffic from the same CMRS carrier to the same ILEC may be carried by another transiting LEC and therefore be subject to reciprocal compensation. Verizon Wireless believes that this outcome is unavoidable given the statutory structure Congress has put in place. CMRS carriers should be free to route traffic they originate to other carriers through any means they determine to be in their economic interest, including via direct connection facilities, a transiting local carrier, or an IXC. Verizon Wireless does not believe that this structure presents CMRS carriers with any arbitrage opportunities.

A necessary corollary to the MTA Rule is that LECs have the obligation to deliver to CMRS providers without charge LEC-originated local traffic anywhere within the MTA in which the call originated.[3] LEC-originated traffic that is carried by an IXC is also delivered without charge to a terminating CMRS carrier, as the CMRS carrier is not charged for receipt of the traffic and may, under certain circumstances, be entitled to receive access charges for terminating the call.[4] The Commission also should clarify that if LECs may require CMRS carriers to pay for dedicated facilities used solely to deliver traffic originated by other carriers (i.e., "transit" traffic), CMRS carriers may recover those costs through the reciprocal compensation charges they assess on the carrier originating the traffic.[5]

<u>Honoring Designated Rating and Routing Points for Numbering Resources</u>. Verizon Wireless also urges the Commission to grant Sprint's petition for declaratory ruling[6] and make

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[2] 47 U.S.C. § 251(g).

[3] *TSR Wireless LLC v. US West Communications, Inc.,* 15 FCC Rcd 11166, 11186, ¶ 31 (2000) *("TSR Wireless"), citing* 47 C.F.R. § 51.701(b).

[4] *Petitions of Sprint PCS and AT&T Corp. for Declaratory Ruling Regarding CMRS Access Charges,* 17 FCC Rcd 13192 (2002) *("CMRS Access Charge Order").*

[5] *Mountain Communications, Inc., v. Qwest Communications Int'l, Inc.,* 17 FCC Rcd 15135, 15136, ¶ 2 (2002) *("Mountain").* Verizon Wireless indicated to the staff that *Mountain* has been the subject of widespread confusion in the LEC and CMRS industries, and that all parties would benefit from clarification of its holding.

[6] *Comment Sought on Sprint Petition for Declaratory Ruling Regarding the Rating and Routing of Traffic By ILECs,* Public Notice, 17 FCC Rcd 13859 (2002).

clear that all carriers must load into their switches the rating and routing points provided by the carrier to which NANPA has granted the numbers. All carriers must honor such requests irrespective of whether the rating and routing points are the same or whether the rating and routing points are within the service territory of the carrier being asked to load the numbers, provided the rating point is within the licensed service territory of the requesting carrier.[7] To rule otherwise would allow other carriers to prevent CMRS carriers from holding numbering resources throughout their FCC-licensed territories. This outcome is also consistent with the Industry Numbering Committee ("INC") guidelines for the use of numbering resources[8] and is necessary for proper call completion.

As CMRS carriers expand service outside urban areas, it is critical for numbering resources to be available throughout CMRS licensed service territories. CMRS carriers do not have incentives to assign numbers in these areas unless they have customers there. As has been described at length in the comments in response to the Sprint petition,[9] CMRS carriers should not be required to enter into direct interconnection arrangements with independent ILECs to have numbers rated in the independent ILECs' territories, provided the independent ILEC's territory is within the CMRS carrier's licensed service territory. The volume of traffic exchanged between CMRS carriers and many small independent ILECs often does not justify the cost of direct interconnection facilities. In many instances, even if a CMRS carrier were to construct dedicated facilities from an independent LEC's end office, some land-to-mobile calls would not complete over the direct trunks.[10] Also, there are technical limitations on the number of direct interconnections that a mobile switch can support. In areas where many carriers provide service, requiring direct interconnection with all carriers could exhaust the physical capacity of the mobile switch.

Unilateral Tariffs Are Not a Lawful Means of Setting Terminating Compensation Rates for Local Traffic. Verizon Wireless urged the Commission to grant the petition by T-Mobile and other carriers requesting a declaratory ruling that LECs' so-called "wireless termination tariffs" violate Commission rules.[11] Under sections 251 and 332, LEC-CMRS

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7 The Commission can easily distinguish the Sprint petition from the "virtual NXX" issue in this docket because "virtual NXX" issues arise when only one LEC is involved, and this should not be a concern when the requesting carrier has facilities and customers within the area.

8 *See* Central Office Code Guidelines, Section 6.2.2, attached hereto as Exhibit 1.

9 *See, e.g.,* Reply Comments of Verizon Wireless, CC Docket No. 01-92 (filed Aug. 19, 2002).

10 If an independent ILEC is subtending another LEC's tandem, the independent might not be able to "tandem" calls in the land-to-mobile direction from third-party carriers such as IXCs, LECs, or other CMRS providers.

11 *Comment Sought on Petitions for Declaratory Ruling Regarding Inter-carrier Compensation for Wireless Traffic,* Public Notice, 17 FCC Rcd 19046 (2002).

interconnection is to be governed by mutually agreed terms, not unilateral rates.[12] Under the Commission's rules, in situations where no interconnection agreement has been reached between the carriers, the requirement that the LECs and CMRS carriers pay each other "reasonable compensation" applies.[13] Because of widespread confusion in the marketplace, it may be necessary for the Commission to establish the range of "reasonable rates" through proxy rates, much as it originally did in the *First Local Competition Order,* until a more permanent solution can be reached in this docket.

Other issues. In concluding, Verizon Wireless also provided the staff with a brief overview of the consequences that have flowed in the marketplace from the *CMRS Access Charges Declaratory Ruling.* We described how the decision has ironically made it *more* difficult for CMRS carriers to negotiate access charge agreements with IXCs, despite the decision's holding that CMRS carriers may assess terminating access charges pursuant to such agreements. We also urged the Commission to grant US LEC's petition and clarify that IXCs must pay for access services jointly provided by CMRS carriers and competitive local exchange carriers. The joint billing for such services is specifically sanctioned by industry agreement per the Open Billing Forum ("OBF") of the Alliance for Telecommunications Industry Solutions ("ATIS") in its Multiple Exchange Carrier Access Billing ("MECAB") document.[14]

Finally, Verizon Wireless observed that, while the approach to local reciprocal compensation issues discussed above are the best solutions *presently* available to these problems, the best *long-term* solution is probably the adoption of a bill-and-keep system, such as the SYBAK system proposed by Verizon Wireless and Verizon Communications in this docket.[15]

Please direct any questions regarding this filing to the undersigned.

Sincerely,

Charon J. Harris

Attachments (3)

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12 *See* Comments of Verizon Wireless, CC Docket No. 01-92 (filed October 18, 2002); Reply Comments of Verizon Wireless, CC Docket No. 01-92 (filed Nov. 1, 2002).

13 47 C.F.R. § 20.11(b)(1).

14 *See* ATIS MECAB document, attached as Exhibit 2.

15 *See* Verizon/Verizon Wireless SYBAK Proposal, attached as Exhibit 3.

cc (via email):	Tamara Preiss	Jared Carlson
	Steven Morris	Joseph Levin
	Victoria Schlessinger	Stacy Jordan
		Peter Trachtenberg

Exhibit 1

Form that includes routing and rating information for entry into BIRRDS. Applicants should be aware that a Revenue Accounting Office (RAO) code will be necessary on Part 2, and are encouraged to obtain that information in a timely manner to prevent delays in activation (see TRA Part 2 Job Aid, Section 2.2, Item 9). In addition, any changes to the requested effective date and/or Operating Company Number (OCN) need to be provided to the CO Code Administrator as soon as the changes occur. (Note: The LERG Routing Guide contains local routing information obtained from BIRRDS and reflects the current network configuration and scheduled changes within the PSTN). This can be transmitted directly to TRA or via an authorized third party acting on behalf of the code holder.

6.2.2 Each switching center, each rate center and each POI may have unique V&H coordinates.

6.2.3 A code applicant or holder who has issued or is planning to issue credit or calling cards will be responsible for entering CO code (NXX) information into the appropriate LIDB Access Support System (LASS).

6.3 Ongoing Administration

6.3.1 Information Changes

The information associated with a code assignment may change over time. Such changes may occur, for example, because of the transfer of a code to a different company. The CO Code Administrator must be notified of any changes to the information in Part 1 of the CO Code (NXX) Assignment Request Form. This includes changes such as, but not limited to, the tandem homing arrangement, OCN, switching entity/POI and rate center (including a rate center consolidation). _For OCN changes due to merger/acquisition, the SP must so state on the Part 1 form.

SPs who change the rate center for a previously assigned NXX that has not been activated shall be required to first demonstrate the need for the NXX in the new rate center. For this change, SPs must first supply a new CO Code Assignment Months to Exhaust Certification Worksheet - TN Level to the CO Code Administrator prior to making any changes to BIRRDS for the affected NXX code. Accordingly, the CO Code Administrator(s) must be informed of these changes to ensure that an accurate record of the code holder/ LERG Routing Guide assignee responsible for the code and the data associated with the code is maintained so as not to jeopardize data integrity. The CO Code Administrator shall verify the retention of the NXX codes using the Months to Exhaust Certification Worksheet - TN Level prior to changes being made to the rate center in the TRA databases.

When changes are submitted the *Switching Identification (Switching Entity/POI)* field, Section 1.2 of the Part 1 Assignment Request Form, and if the information on the Part 1 is exactly the same for all NXXs involved, it is acceptable to submit one Part 1 Form with an attached listing of the NXXs affected.

Exhibit 2

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The Multiple Exchange Carrier Access Billing (MECAB) document, February, 2001, is copyrighted, printed and distributed by the Alliance for Telecommunications Industry Solutions (ATIS) on behalf of the ATIS-sponsored Ordering and Billing Forum (OBF).

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1. PREFACE

Effective January 1, 2001 the process outlined in MECAB Issue 7, which allows companies to utilize their own recordings for access and interconnection billing, may be implemented.

The use of EMI Category 11-50-01 through 04 and 11-50-21 through 24 meetpoint summary usage records, for billing of access and interconnection services, will be discontinued effective August 31, 2002.

This document contains the recommended guidelines for the billing of access and interconnection services provided to a customer by two or more providers or by one provider in two or more states within a single LATA. Access and interconnection services may be billed as usage-sensitive and flat rated charges, which may include intraLATA non-subscribed toll, wireless and local services. Examples of Usage-Sensitive Services are Feature Group B (FGB), Feature Group C (FGC), Feature Group D (FGD), Wireless Services [Type 1 (Line Side Service), Type 2A (Trunk Side Tandem Service) and Type 2B (Trunk Side End Office Service)], trunk side connections (e.g., BSA), and Directory Assistance (DA) Transport. Examples of Flat-Rated Services are WATS Access Lines (WALs), Dedicated Access Lines (DALs), Hicap, two-point, multi-point services, direct/local transport and DA transport. This document also addresses the billing of jointly provided Feature Group A (FGA) line side BSA services in Section 9 of this document.

Types of customers and providers are as follows but are not limited to those below.

- End User: A customer who occupies premises that utilizes retail telephone services provided by telecommunications carriers. They may order other services such as access.
- IXC: Interexchange Carrier (Also referred to as IC). A long distance company that carries traffic between local exchange carriers.
- LEC: Local Exchange Carrier. A Company providing local telephone service. This term could include the following entities:
  1. CLEC: Competitive Local Exchange Carrier. A Company, which competes by providing it's own switching and/or network, or by purchasing unbundled network elements from an established local telephone provider. This term is meant to distinguish a new or potential competitor from the established local exchange provider.
  2. ILEC: Incumbent Local Exchange Carrier. A Company providing the connection to the end user's premise and access to the long distance network prior to the introduction of local competition. It is the established Regional Bell Operating Company or Independent Company.
  3. ULEC: Unbundled Local Exchange Carrier. A Company that provides local, intraLATA toll and access service by purchasing one or more unbundled network elements from another company. This includes only buying dial tone (port) or the entire platform of elements (UNE-P).
  4. USP: Unbundled Service Provider. A Company (CLEC or ILEC) that has sold one or more network elements to another company in order for them to provide local, intraLATA toll and access services.
  5. WSP: Wireless Service Provider (which includes CMRS (Commercial Mobile Radio Service), PCS (Personal Communication Services), etc.). A company whose network provides service to an end user through the use of airwave signals.

These guidelines were developed by the Billing Committee of the Ordering and Billing Forum (OBF). The Multiple Exchange Carrier Access Billing (MECAB) document (dated November 9, 1987) was changed to reflect the FGA/FGB meet-point Billing Task Force Report dated December 8, 1988. The Federal Communications Commission requested the report in its October 4, 1988 Order in CC Docket No. 87-579. The Commission addressed the report in its Memorandum Opinion and Order (MO&O) of October 5, 1989. This revised MECAB document also incorporates the resolution statements of recent OBF issues.

The OBF is a voluntary, self-policing group of provider and customer participants. They meet to identify, discuss, and resolve national issues concerning the ordering and billing of access and interconnection services. The OBF is under the auspices of the Carrier Liaison Committee (CLC) of the Alliance for Telecommunications Industry Solutions (ATIS). The Federal Communications Commission (FCC) authorized the CLC in a MO&O released January 17, 1985.

This document provides industry guidelines for meet-point Billing (MPB) options. This document addresses the following:

- Common service identifiers
- Calculation of transport mileage
- Identification of the involved providers
- Provider to provider transfer of adjustment information and usage data
- MPB conversion and notification procedures.

This document identifies common data elements critical for the provision of verifiable and auditable bills in multiple provider situations and provides procedures for making common data elements and other data available to all providers, depending on the billing option selected.

The bill displays that appear are for illustrative purposes only. The Carrier Access Billing System Billing Output Specifications (CABS BOS©) documentation contains the industry standards for CABS access paper bills, bill data tapes and customer service records. The Small Exchange Carrier Access Billing (SECAB) Guidelines contain similar standards for paper and mechanized bills and inventory and rating information for the providers whose access bills do not conform to the CABS BOS.

Refer to CABS BOS and the SECAB for the current standards for billing outputs.

4.3.1.1 Single Bill-Multiple Tariff

The billing company agrees to prepare a single access or interconnection bill, with each provider's charges separately identified by rate element and usage detail using the state level company code found in NECA Tariff FCC. No. 4. A summary page totaling the charges by provider state level company code is included. The tariff or contract rates provided to the billing company must include all charges applicable to the meet-point billed services. The provider charges refer to one time charges, recurring charges, usage, OC&C, adjustments, etc. This alternative requires that the billing company administers in its billing system the applicable tariff or contract rates and rate changes for all providers involved in the provisioning of services Rate change dates may not coincide where multiple providers are involved in a service. A non-billing company should notify their billing company of its rate change in a timely manner.

Separate checks can be rendered by the customer and mailed directly to each provider, or to the billing provider for distribution as indicated in the letter of authorization. If the non-billing provider receives payment directly from the customer, the non-billing provider must notify the billing provider of the payment. The billing provider is then responsible for applying each payment to the appropriate provider's balance due. Where a single check is selected as the payment arrangement, the non-billing provider must provide a letter of authorization to notify the customer to send only a single check to the billing provider.

Information must be communicated among the providers involved to render a single bill using the multiple tariff alternative. Application and interpretation of the non-billing company's rates must also be communicated to the billing company for incorporation into the billing system. The service order, payment and rate information must be maintained by the billing company on an ongoing basis and requires the cooperation of the providers. Usage data is transmitted to the billing company for input to the billing system. The billing company renders a single bill to the customer and returns financial information to the provider, which may include a copy of the bill. The customer then remits payment either directly to each provider or to the billing company for distribution based on the contractual arrangements between the providers. The customer is referred to the contact number on the bill for billing inquiries. Resolution of billing inquiries may involve all providers.

4.3.1.2 Single Bill-Single Tariff

The billing company agrees to prepare a single access or interconnection bill based upon their rate structure. Usage data is transmitted from the recording point for input into the billing system. The billing company renders a bill to the customer for all portions of the service. The other providers render a bill to the billing company for that portion of the service they provide. The customer remits payment to the billing company. The billing company remits payment to the other providers.

4.3.2 Multiple Bill Option

The Multiple Bill option allows each provider to bill the customer for its portion of a jointly provided access or interconnection service. In this scenario each provider establishes its own billing account. The bills under this option are rendered at a level previously established by the provider in a non-MPB environment. The detail requirements for rendering Multiple meet-point Bills are provided in Sections 5 through 8 of this document.

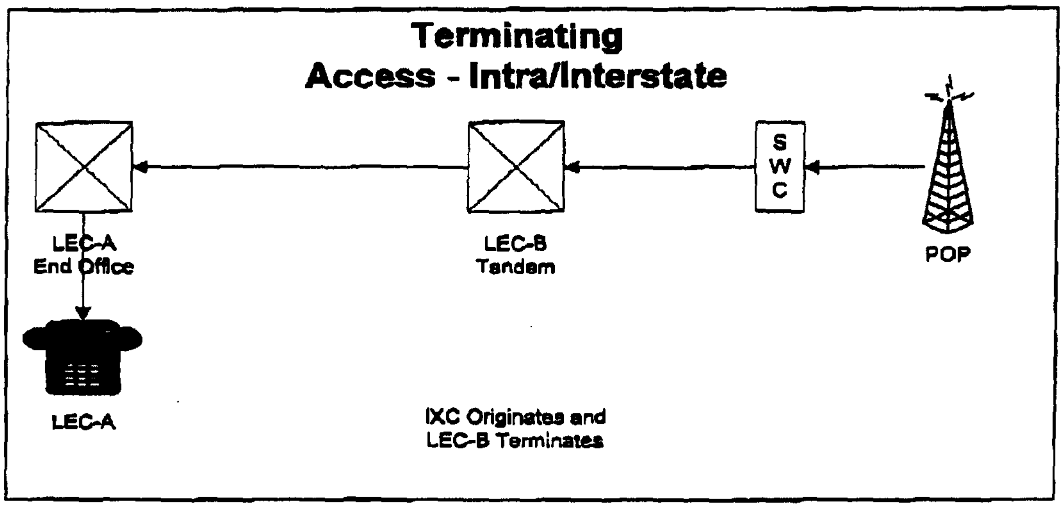

Figure 6-8 Terminating access from an IXC to a LEC through another LEC

Notification Information
Both LECs will provide customer notification information to the IXC in accordance with Section 5.

Record Exchange
For a single bill option, when LEC-A is the bill rendering company, LEC-B will provide an access record to LEC-A to bill the IXC. When LEC-B is the bill rendering company, they will use their recordings to bill the IXC.

For a multiple bill option, LEC-B will use their recordings to bill their portion of access to the IXC. LEC-B will provide the access record to LEC-A for them to bill their portion of access to the IXC.

For additional information on billing options, refer to Section 4 of this document.

Bill Verification
The IXC has their recordings and the customer notification information to handle their verification requirements.

Footnote: For the purpose of this diagram LECs would include CLEC, ILEC and WSP.

Exhibit 3

Verizon/Verizon Wireless SYBAK Proposal

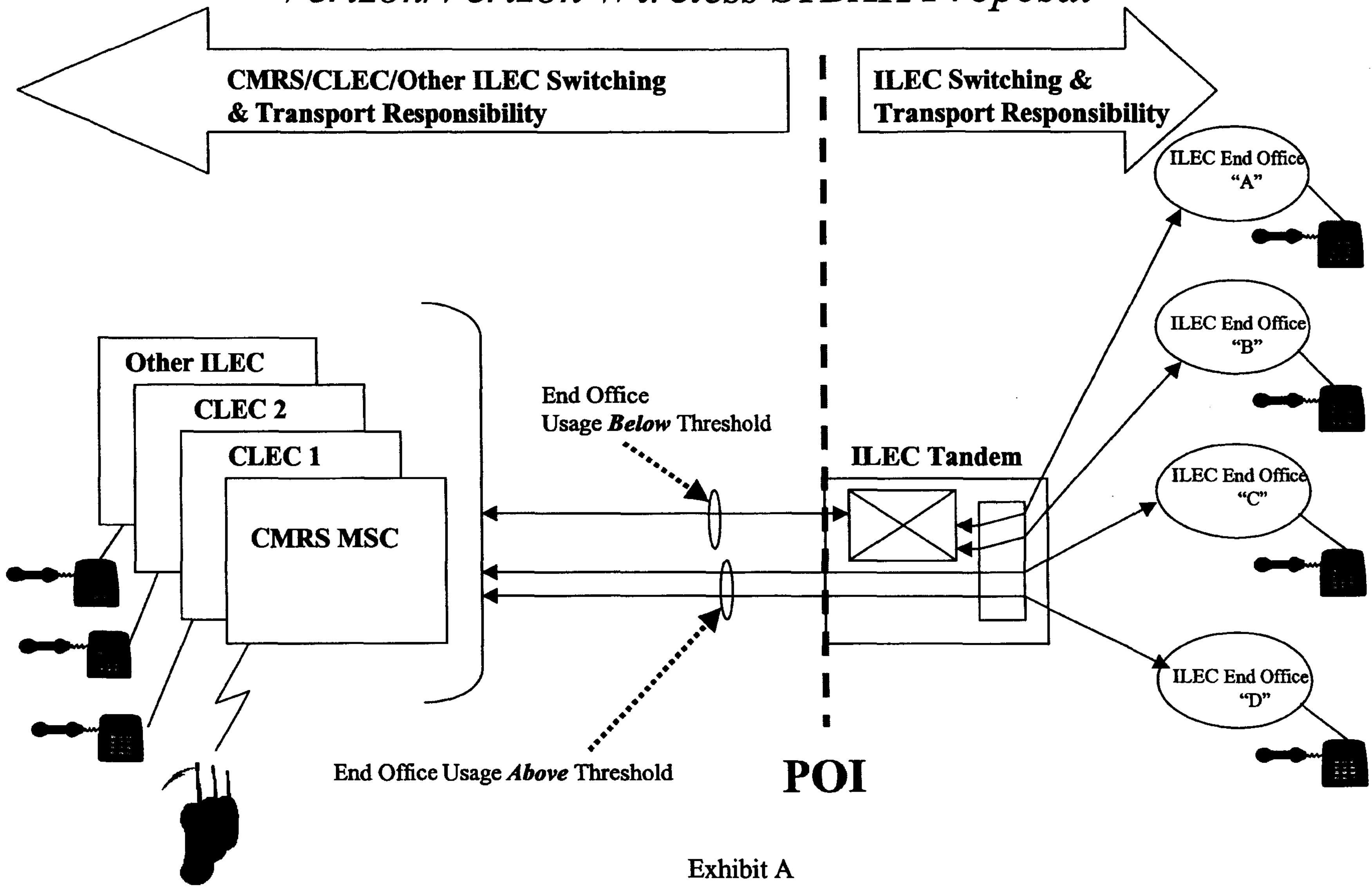

Exhibit A